Campari announces very strong first half 2010 results
Significant growth across all performance indicators

HIGHLIGHTS - FIRST HALF 2010

- **Sales: € 515.7 million (+16.7%, organic growth +8.7%)**
- **Contribution after A&P: € 209.5 million (+18.5%, organic growth +10.4%, 40.6% of sales)**
- **EBITDA before one-offs: € 128.6 million (+17.9%, organic growth +13.7%, 24.9% of sales)**
- **EBIT before one-offs: € 116.0 million (+17.9%, organic growth +14.0%, 22.5% of sales)**
- **Group's net profit: € 69.3 million (+15.2%)**

Milan, August 4, 2010 - The Board of Directors of Davide Campari-Milano S.p.A. approved the results for the first half ending 30 June 2010.

In the first semester of 2010 Gruppo Campari achieved **very strong results**, delivering significant **growth across all performance indicators**, **especially due to organic growth**. The business benefited from (i) **a very good consumption momentum across key brand and market combinations**, (ii) the consolidation of the Wild Turkey acquisition and (iii) an easy comparison base versus last year's first half, which was hit by the credit crunch and destocking activities. Driven by a favourable sales mix, **all operating profit indicators posted strong growth**, notwithstanding a considerable increase in marketing spending.

Bob Kunze-Concewitz, Chief Executive Officer: '*Our performance in the first half of 2010 was very positive with significant growth across all key indicators. Looking forward to the remainder of the year, we have a balanced view of risks and opportunities. Specifically, our continued good consumption momentum across key brand and market combinations should help cushion the impact of tougher comps in terms of cost of goods and a weaker sales mix driven by seasonality. Whilst volatility might impact trading across coming quarters, we remain reasonably optimistic about our full year prospects*'.

CONSOLIDATED RESULTS FOR THE FIRST HALF OF 2010

	1 January - 30 June 2010 (€ millions)	1 January - 30 June 2009 (€ millions)	Change at actual exchange rates	Change at constant exchange rates
Net sales	**515.7**	**441.8**	**+16.7%**	**+14.8%**
Contribution after A&P[1]	209.5	176.9	+18.5%	+17.1%
EBITDA before one-offs	**128.6**	**109.1**	**+17.9%**	**+17.1%**
EBITDA	127.0	107.5	+18.1%	+17.3%
EBIT before one-offs	**116.0**	**98.4**	**+17.9%**	**+17.3%**
EBIT	114.4	96.8	+18.2%	+17.4%
Group net profit	**69.3**	**60.1**	**+15.2%**	**+13.6%**

(1) EBIT before SG&A.

In the first half of 2010, Group sales totalled **€ 515.7 million** (**+16.7%**, **+8.7% organic growth**, **+2.0% exchange rate effect** and **+6.1% perimeter effect,** the latter mainly due to the acquisition of Wild Turkey).

Gross margin increased to **€ 299.6 million**, up 20.4%, or 58.1% of sales, mainly thanks to a **favourable sales mix** driven by **spirits' double-digit growth**.

Contribution after A&P (gross margin after A&P) was up by 18.5% to **€ 209.5 million** (+10.4% organic growth), or 40.6% of sales.

EBITDA before one-offs was up by 17.9% to **€ 128.6 million** (**+13.7% organic growth**), or 24.9% of sales.

EBITDA reached **€ 127.0 million**, an increase of 18.1%.

EBIT before one-offs rose by 17.9% to **€ 116.0 million** (**+14.0% organic growth**), or 22.5% of sales.

EBIT reached **€ 114.4 million**, an increase of 18.2%.

Profit before tax and minority interests reached € 97.7 million (+17.3%; +16.0% at constant exchange rates).

The Group net profit rose to **€ 69.3 million**, an **increase of 13.6% at constant exchange rates** and +15.2% at actual exchange rates.

As of 30 June 2010, after payments of € 34.6 million for dividends and negative exchange rate impact of € 32.8 million versus 31 December last year, **net financial debt** stood at **€ 656.2 million** (€ 630.8 million as of 31 December 2009).

CONSOLIDATED SALES FOR THE FIRST HALF OF 2010

Sales of **spirits** (76.9% of total sales, up from 72.3% in the first half 2009) grew +24.2%, the combined result of **organic growth of +13.9**%, a **positive exchange rate effect of +2.5%** and a **positive perimeter effect of +7.8%**.

Campari brand sales **increased by +10.3%** at constant exchange rates (+13.3% at actual exchange rates), thanks to the positive performances in key European markets and a strong recovery in Brazil. **SKYY** sales **grew by +7.6% at constant exchange rates** (+8.5% at actual exchange rates), driven by a favourable comparison base versus last year's first half, a positive performance of the whole SKYY franchise in the US and continued growth in key international markets. **Aperol confirmed its very strong momentum** (**+34.7% at constant exchange rates**) in Italy and in international markets (particularly Germany and Austria). **Campari Soda** registered a slight decrease in the first half of 2010 (-0.6%). The **Brazilian brands' posted a significant sales growth**, thanks to the successful execution of the new commercial policy and a favourable comparison base versus the corresponding period last year. **GlenGrant** achieved a positive performance (**+18.1%** at constant exchange rates), while **Ouzo 12** and **Cynar** results were in line with last year trends.

Wines, which accounted for 11.5% of total sales, **decreased -1.3%**, due to the combination of a **negative organic performance of -4.0%,** a **positive perimeter effect of +1.8%** and a **positive exchange rate effect of +0.9%**. **Cinzano** brand registered **positive results: Cinzano sparkling wines** sales increased by 3.6% (**+3.8%** at constant exchange rates), thanks to a positive performance in Italy and Russia; and **Cinzano vermouth sales grew by 3.3%** (+5.2% at constant exchange rates), mainly thanks to a recovery in the key Russian market. **Sella & Mosca** sales decreased by 5.2%, while **Riccadonna** suffered a temporary slow-down due to its transition to the newly established distribution platform in the key Australian market.

Soft drinks (10.5% of total sales) recorded **a negative variation of -5.1**%, attributable to the weak performance of the soda range and mineral waters (-6.8%) which were impacted by unfavourable weather conditions whilst **Crodino** (-4.3%) was impacted by softness in the day bars channel.

Looking at sales **by region** in the first half 2010, sales in the **Italian market** (39.6% of total Group sales, down from 45.2% in the first half 2009) recorded an **increase of +2.2%**, thanks to organic growth (+2.9%), partly offset by a negative perimeter effect of -0.7%.

Sales in **Europe**, excluding Italy, (20.9% of consolidated sales) **increased by +11.9%**, thanks to positive trading both in Western and Eastern European markets, demonstrating **positive organic growth of +11.0%**, a positive perimeter effect of +0.5% and a positive exchange rate effect of +0.4%.

The **Americas** (34.1% of total sales) posted **overall growth of +46.1%**, driven by a **positive organic increase of +24.7%**, a **positive exchange rate effect (+6.4%)** and a **positive perimeter effect (+15.0%)**, the latter due to the acquisition of Wild Turkey. In the Americas, the **US market** registered an **organic increase of +13.3%**, mainly driven by a favourable comparison against last year's first half. There was a **positive exchange rate effect of 0.2%** and **positive perimeter effect of +19,5%**. In **Brazil, organic sales grew by 61.3%,** thanks to a return to regular trading after the full acceptance of the new commercial policy and a favourable comparison base. Performance in Brazil was also positively affected by a perimeter effect of +1.7% and a significant exchange rate effect (+36.1%).

Sales in the **rest of the world** (including duty free sales), which accounted for 5.4% of total sales, **grew by +9.6%** overall, driven by a positive perimeter effect of +37.6%**,** a positive exchange rate effect of +2.2% and a negative organic change of 30.2% mainly due to its transition to the newly established distribution platform in the key Australian market.

OTHER RESOLUTIONS

Merger of Campari Italia S.p.A. into Davide Campari-Milano S.p.A. On August 4, 2010, the Board of Directors of Davider Campari-Milano S.p.A. approved the draft document relating to the proposed merger of Campari Italia S.p.A. into Davide Campari-Milano S.p.A. The objective of the merger is to simplify the Group's organizational structure and achieve operational efficiencies by integrating the two companies' production and distribution activities. As Davide Campari-Milano S.p.A. holds 100% of the share capital of Campari Italia S.p.A., the merger does not determine any share exchange ratio. Therefore, there will be no effects on the shareholders. Moreover, it should be noted that Davide Campari-Milano S.p.A. will not modify its share capital and the company by-laws will remain unchanged.

EVENTS TAKING PLACE AFTER THE END OF THE SEMESTER

Buyout of the remaining 20% stake in Cabo Wabo. On July 30, 2010, an agreement was signed with the minority shareholder of Cabo Wabo for the anticipated exercise of the put/call options relating to the remaining 20% stake in Cabo Wabo. Gruppo Campari bought the controlling (80%) stake in Cabo Wabo in 2008. The price paid for the purchase of the 20% stake was US$ 11.0 million. Moreover, based on the agreement, an estimated earn-out of US$ 4.0 million is expected to be paid to the selling shareholder in the three years following the closing of the deal.

Manufacturing and distribution rights of Cinzano in Argentina. On July 23, 2010, Gruppo Campari signed an agreement for the anticipated termination of the contract entered by Davide Campari-Milano S.p.A. with Cepas Argentina S.A. in 2000, following the acquisition of the Cinzano brand. Based on this contract, Gruppo Campari granted Cepas Argentinas S.A. the manufacturing and distribution rights for Cinzano in Argentina until 2026. Gruppo Campari agreed to pay € 11 million, by August 31, 2010, for the recovery of Cinzano production and distribution rights. As of September 2010 the distribution and, subsequently, the manufacturing activities will be taken over by Sabia S.A., an Argentinean company acquired by Gruppo Campari in 2008 and now wholly owned.

Noteholders meeting. On August 2, 2010, the holders of Notes issued by Davide Campari-Milano S.p.A. on July 16, 2003, exclusively placed among US institutional investors, were called to approve amendments to some terms of the Note purchase agreement. The amendments are aimed at authorizing the company, in case of significant acquisitions, to temporarily increase the indebtedness ratio above the threshold allowed by the agreement, against the payment of a higher interest rate for the correspondent periods. It should be noted that the two US private placements issued by the US subsidiary Redfire in 2002 and 2009 were also aligned to the new terms.

The Manager in charge of preparing Davide Campari-Milano S.p.A.'s financial reports, Paolo Marchesini, certifies - pursuant to article 154 bis, paragraph 2 of the Legislative Decree 58/1998 (Consolidated Law on Financial intermediation) - that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

CONFERENCE CALL

Please note that at **1.00 pm (CET) today, Wednesday, 4 August 2010**, Campari's management will hold a conference call to present the Group's 2010 half year results to analysts, investors and media. To participate, please dial one of the following numbers:

- **from Italy: 02 8058 811**
- **from abroad: +44 203 147 47 96**

The **presentation slides** can be downloaded before the conference call from the main investor relations page on Gruppo Campari's website, at

http://www.camparigroup.com/en/investors/home.jsp

A **recording of the conference call** will be available from Thursday, 5 August until Wednesday, 11 August 2010.
To listen to it, please call the following number:

- **from Italy: 02 72495**
- **from abroad: +44 207 0980 726**

(access code: **726#**).

FOR FURTHER INFORMATION

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ABOUT GRUPPO CAMPARI

Gruppo Campari is a major player in the global beverage sector, trading in over 190 nations around the world with a leading position in the Italian and Brazilian markets and a strong presence in the USA and Continental Europe. The Group has an extensive portfolio that spans three business segments: spirits, wines and soft drinks. In the spirits segment its internationally renowned brands, such as Campari, SKYY Vodka and Wild Turkey stand out. It also has leading regional brands including Aperol, Cabo Wabo, Campari Soda, Cynar, GlenGrant, Ouzo 12, X-Rated Fusion Liqueur, Zedda Piras and the local Brazilian brands Dreher, Old Eight and Drury's. Its wine segment boasts the global brand Cinzano, as well as important regional brands including Liebfraumilch, Mondoro, Odessa, Riccadonna, Sella & Mosca and Teruzzi & Puthod. The soft drinks segment comprises the non-alcoholic aperitif Crodino and Lemonsoda as well as its respective line extension dominating the Italian market. The Group employs over 2,000 people. The shares of the parent company, Davide Campari-Milano S.p.A. (Reuters CPRI.MI - Bloomberg CPR IM), are listed on the Italian Stock Exchange.
www.camparigroup.com

- tables to follow -

GRUPPO CAMPARI

Consolidated net revenues by geographic area

	1 January - 30 June 2010		1 January - 30 June 2009		
	€ million	%	€ million	%	% change
Italy	204.1	39.6%	199.6	45.2%	2.2%
Europe	107.8	20.9%	96.3	21.8%	11.9%
Americas	175.9	34.1%	120.4	27.3%	46.1%
Rest of the world and duty free	27.9	5.4%	25.5	5.8%	9.6%
Total	**515.7**	**100.0%**	**441.8**	**100.0%**	**16.7%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Italy	2.2%	2.9%	-0.7%	0.0%
Europe	11.9%	11.0%	0.5%	0.4%
Americas	46.1%	24.7%	15.0%	6.4%
Rest of the world and duty free	9.6%	-30.2%	37.6%	2.2%
Total	**16.7%**	**8.7%**	**6.1%**	**2.0%**

Consolidated net revenues by segment

	1 January - 30 June 2010		1 January - 30 June 2009		
	€ million	%	€ million	%	% change
Spirits	396.5	76.9%	319.3	72.3%	24.2%
Wines	59.1	11.5%	59.8	13.5%	-1.3%
Soft drinks	53.9	10.5%	56.8	12.9%	-5.1%
Other revenues	6.1	1.2%	5.8	1.3%	6.1%
Total	**515.7**	**100.0%**	**441.8**	**100.0%**	**16.7%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Spirits	24.2%	13.9%	7.8%	2.5%
Wines	-1.3%	-4.0%	1.8%	0.9%
Soft drinks	-5.1%	-5.1%	0.0%	0.0%
Other revenues	6.1%	-10.5%	14.7%	1.9%
Total	**16.7%**	**8.7%**	**6.1%**	**2.0%**

Contribution after A&P by segment

Contribution after A&P	1 January - 30 June 2010		1 January - 30 June 2009		Change
	€ million	%	€ million	%	%
Spirits	171.1	81.6%	140.9	79.6%	21.4%
Wines	15.3	7.3%	13.9	7.8%	10.1%
Soft drinks	22.0	10.5%	21.4	12.1%	2.8%
Other	1.3	0.6%	0.8	0.4%	59.7%
Total	**209.5**	**100.0%**	**176.9**	**100.0%**	**18.5%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Spirits	21.4%	11.7%	8.3%	1.4%
Wines	10.1%	6.7%	1.0%	2.4%
Soft drinks	2.8%	2.8%	-	-
Other revenues	59.7%	42.4%	10.6%	6.7%
Total	**18.5%**	**10.4%**	**6.7%**	**1.4%**

Consolidated income statement

	1 January - 30 June 2010		1 January - 30 June 2009		Change
	€ million	%	€ million	%	%
Net sales[1]	**515.7**	**100.0%**	**441.8**	**100.0%**	**16.7%**
Total cost of goods sold[2]	(216.1)	-41.9%	(192.9)	-43.7%	12.0%
Gross margin	**299.6**	**58.1%**	**248.9**	**56.3%**	**20.4%**
Advertising and promotion	(90.0)	-17.5%	(72.0)	-16.3%	25.0%
Contribution after A&P	**209.5**	**40.6%**	**176.9**	**40.0%**	**18.5%**
SG&A[3]	(93.6)	-18.1%	(78.5)	-17.8%	19.2%
EBIT before one-off's	**116.0**	**22.5%**	**98.4**	**22.3%**	**17.9%**
One off's	(1.6)	-0.3%	(1.6)	-0.4%	-
Operating profit = EBIT	**114.4**	**22.2%**	**96.8**	**21.9%**	**18.2%**
Net financial income (expenses)	(16.4)	-3.2%	(9.4)	-2.1%	75.0%
One off's financial expenses	0.0	0.0%	(3.9)	-0.9%	-100%
Income from associates	(0.2)	-0.0%	(0.3)	-0.1%	-
Put option costs	(0.2)	-0.0%	0.0	0.0%	-
Profit before taxes and minority interests	**97.7**	**18.9%**	**83.3**	**18.9%**	**17.3%**
Taxes	(28.2)	-5.5%	(23.0)	-5.2%	22.9%
Net profit	**69.5**	**13.5%**	**60.3**	**13.7%**	**15.2%**
Minority interests	(0.2)	-0.0%	(0.2)	-0.0%	-
Group net profit	**69.3**	**13.4%**	**60.1**	**13.6%**	**15.2%**
Depreciation and amortisation	(12.6)	-2.4%	(10.7)	-2.4%	17.7%
EBITDA before one-off's	**128.6**	**24.9%**	**109.1**	**24.7%**	**17.9%**
EBITDA	**127.0**	**24.6%**	**107.5**	**24.3%**	**18.1%**

(1) Net of discounts and excise duties.

(2) Includes cost of materials, production and logistics costs.

(3) Includes selling, general and administrative costs.

GRUPPO CAMPARI

Consolidated balance sheet

	30 June 2010 € million	31 December 2009 € million
ASSETS		
Non-current assets		
Net tangible fixed assets	324.9	284.0
Biological assets	18.3	18.5
Property	0.7	0.7
Goodwill and trademarks	1,338.1	1,199.4
Intangible assets	7.4	5.5
Interests in associates	0.6	0.7
Pre-paid taxes	31.1	28.1
Other non-current assets	17.9	162.3
Total non-current assets	**1,738.9**	**1,699.1**
Current assets		
Inventories	316.0	271.4
Trade receivables	233.3	236.2
Financial receivables	166.8	6.7
Cash and cash equivalents	142.4	129.6
Other receivables	22.9	24.3
Total current assets	**881.5**	**668.2**
Non-current assets for sale	11.1	11.1
Total assets	**2,631.5**	**2,378.4**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	58.1	29.0
Reserves	1,163.9	1,014.4
Group's shareholders' equity	1,222.0	1,043.5
Minority interests	2.8	2.5
Total shareholders' equity	**1,224.8**	**1,046.0**
Non-current liabilities		
Bonds	904.8	806.4
Other non-current financial payables	15.5	77.7
Staff severance funds	9.6	9.8
Risks funds	14.7	10.7
Deferred tax	108.5	87.9
Total non-current liabilities	**1,053.2**	**992.5**
Current liabilities		
Banks loan	13.2	17.3
Other financial payables	46.6	25.1
Trade payables	183.6	179.1
Payables for taxes	69.0	75.8
Other current liabilities	41.1	42.7
Total current liabilities	**353.6**	**339.9**
Total liabilities and shareholders' equity	**2,631.5**	**2,378.4**

GRUPPO CAMPARI

Consolidated cash flow statement

	30 June 2010 € million	30 June 2009 € million
EBIT	114.4	96.8
Amortisation and depreciation	12.6	10.7
Other changes in non-cash items	3.8	1.3
Change in non financial assets and payables	(0.7)	(7.4)
Taxes on income paid	(33.3)	(8.1)
Cash flow from operating activities before change in operating working capital	**96.9**	**93.3**
Net change in operating working capital	(3.7)	91.0
Cash flow from operating activities	**93.2**	**184.4**
Net interest paid	(16.4)	(11.7)
Cash flow from investing activities	**(35.9)**	**(32.4)**
Free cash flow	**40.8**	**140.2**
Acquisitions	0.0	(432.1)
Other changes	(2.6)	(1.1)
Dividends paid	(34.6)	(31.7)
Cash flow from other activities	**(37.2)**	**(464.9)**
Exchange rate differences and other movements	(31.1)	(26.6)
Net increase (decrease) in net financial position as a result of operating activities	**(27.5)**	**(351.3)**
Future exercise for put options and payment of earn outs	2.1	2.7
Net increase (decrease) in net financial position	**(25.4)**	**(348.5)**
Net financial position at start of period	**(630.8)**	**(326.2)**
Net financial position at end of period	**(656.2)**	**(674.8)**